Source: https://www.industrydocuments.ucsf.edu/docs/stbn0000

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PRIDE CONVENIENCE, INC.

INDUSTRY APPROACH

VS.

PM EXCLUSIVE

PRIDE CONVENIENCE, INC.

BACKGROUND

- 20 STORE CONV/GAS CHAIN
- AVERAGE STORE VOLUME 190 CPW
- PM EXCLUSIVE; PM SPRINGLOADS WITH MARLBORO SIGNAGE
- NO FREE STANDING DISPLAYS IN ANY STORES
- ALL STORES NSS
- B&W AND LORILLARD PROMOTE OFF TEMPORARY DISPLAYS / SPRINGLOADS

Source: http://www.industrydocuments.ucsf.edu/docs/stbn0000

PRIDE CONVENIENCE, INC.

MANUFACTURER MARKET SHARE

PM	48.2%
RJR	20.8%
LORILLARD	17.6%
B&W	10.4%
OTHER	3.0%

Source: https://www.industrydocuments.ucsf.edu/docs/stbm0000

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PRIDE CONVENIENCE, INC.

BRAND FAMILY MARKET SHARE

MARLBORO	31.4%	NEWPORT	15.2%
JACKS	9.8%	BASIC	4.8%
WINSTON	4.3%	SALEM	3.5%
KOOL	2.8%	CAMEL	2.6%
GPC	2.4%	DORAL	.4%

Source: https://www.industrydocuments.ucsf.edu/docs/stbn0000

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PRIDE CONVENIENCE, INC.

THE PROBLEM

HOW DOES RJR GROW VOLUME AND SHARE IN PRIDE STORES?

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PRIDE CONVENIENCE, INC.

SOLUTION #1

CO-EXISTENCE: BOTH RJR AND PM MAINTAIN 1 FULL PRICE DISPLAY,

1 SAVINGS DISPLAY.

RJR PAYS CHAIN LEVEL 1 MERCHNDISING DOLLARS.

Source: https://www.industrydocuments.ucsf.edu/docs/stbn0000

PRIDE CONVENIENCE, INC.

SOLUTION #2

NEUTRALIZATION: VERTICAL LOADING OF PM SPRINGLOADS. MARLBORO SIGNAGE IS MAINTAINED. NO RJR RDA DOLLARS ARE SPENT, BUT WORKPLAN AND GAP PROMOTIONS BECOME AVAILABLE.

Source: https://www.industrydocuments.ucsf.edu/docs/stbn0000

PRIDE CONVENIENCE, INC.
HOW VALUABLE ARE YOUR CUSTOMERS?

	PER STORE AVERAGES	# OF STORES 20
WEEKLY CARTON VOLUME	190	3,800
WEEKLY PACK VOLUME	1,900	38,000
% DECLINE IN PACK VOLUME	7.6	7.6
WEEKLY PACK SALES DECLINE	144	2,888
PROJECTED WEEKLY PACK VOLUME	1,756	35,112
TWO PACKS = ONE CUSTOMER	72	1,444
SMOKING CUSTOMERS $ SPENT/VISIT *	$4.39	$4.39
WEEKLY SALES $ LOSS	$316.96	$6,339.16
ANNUAL SALES $ LOSS	$16,481.82	$329,636

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* Source: Convenience Store Shopping Basket Analysis Conducted by Promotion Decisions, Inc.

Source: https://www.industrydocuments.ucsf.edu/docs/stbn0000